

## TARIFF ACTION MEMO

**Date:** October 23, 2023

**Date Filed:** September 14, 2023

**Statutory End Date:** October 30, 2023

**File No:** TA177-122; TA179-126

**Name of Utility:** Anchorage Water and Wastewater Utility

**Subject:** Anchorage Water and Wastewater Utility (AWWU), on behalf of Anchorage Water Utility (AWU) and Anchorage Sewer Utility (ASU), submits the annual revision to its Levy Upon Connection (LUC) rates for both water and wastewater service.

### **Recommendations**

Staff recommends the Commission should approve:

1. Tariff Sheet No. 164, filed September 14, 2023, by AWWU on behalf of AWU with TA177-122, as shown on the attached side-by-side tariff sheet (Appendix 1). The effective date of the tariff sheet should be October 30, 2023.
2. Tariff Sheet No.128, filed September 14, 2023, by AWWU on behalf of ASU with TA179-126, as shown on the attached side-by-side tariff sheet (Appendix 1). The effective date of the tariff sheet should be October 30, 2023.

Please see attached Staff Memorandum supporting the above recommendations.

Signed: Keiba Kimp  
Keiba Kimp

Title: Utility Tariff Analyst

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Commission decision regarding this recommendation:

	Date (if different from <u>10/23/2023</u> )	<u>I Concur</u>	<u>I Do Not Concur</u>	<u>I Will Write A Dissenting Statement*</u>
Kurber		<u>KKT</u>		
Doyle		<u>BD</u> BD		
Espindola		<u>JE</u> JE		
Pickett		<u>RMP</u> BP		
Wilson	<u>10/24/23</u>	<u>JW</u> JW		

\* If this column is initialed, Staff will contact the Commissioner for the statement; otherwise, the dissent will simply be noted at the close of the By Direction letter or order.

## **MEMORANDUM**

To: Keith Kurber II, Chairman  
Robert A. Doyle  
John Espindola  
Robert M. Pickett  
Janis W. Wilson

Date: October 23, 2023

From: Keiba Kimp, Utility Tariff Analyst

Subject: Annual LUC Update

### **Recommendations**

Staff recommends the Commission should approve:

1. Tariff Sheet No. 164, filed September 14, 2023, by AWWU on behalf of AWU with TA177-122, as shown on the attached side-by-side tariff sheet (Appendix 1). The effective date of the tariff sheet should be October 30, 2023.
2. Tariff Sheet No.128, filed September 14, 2023, by AWWU on behalf of ASU with TA179-126, as shown on the attached side-by-side tariff sheet (Appendix 1). The effective date of the tariff sheet should be October 30, 2023.

### **Background**

AWWU is a municipally owned water and wastewater utility providing service in the Municipality of Anchorage (with the exception of Joint Base Elmendorf-Richardson).<sup>1</sup> AWWU most recently revised its rules governing the application of LUC rates in TA166-122 and TA167-126, filed May 12, 2020, and approved with Letter Order No. L2000238, issued June 19, 2020.

### **Filing**

AWWU now submits TA177-122 for AWU and TA179-126 for ASU, proposing to update the LUC Rate Schedule with rates for utility pipe construction in 2023. With these filings, AWWU filed Tariff Sheet Nos. 164 (sewer) and 128 (water) and filed the calculation of the LUC.

### **Notice**

The Commission issued a public notice for TA177-122 and TA179-126 on September 19, 2023, with comments requested by October 19, 2023. No comments were received.

### **Analysis/Discussion**

The LUC rate methodology, described in detail in AWU's tariff at Rule 8.3.A.1 and ASU's tariff at Rule 8.3.B.1, is based on a five year average of certified project costs (including grant funded expenses) and uses the Engineering News Record Construction Cost Index

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<sup>1</sup> Including Anchorage, Eagle River, Chugiak, Eklutna, Indian, and Girdwood.

(ENRCCI) to adjust the construction costs for any inflation between the year the project was closed and the LUC assessment year.<sup>2</sup> In years where no projects are levied, the net certified project costs for that year are the cost of the last preceding year in which such assessments were levied, adjusted using the annual average of the ENRCCI. Additionally, for each year, the annual levied costs are adjusted to the calculation test year using the ENRCCI.<sup>3</sup>

Because the LUC rate is a square-footage rate applied to the benefitted area of utility constructed projects, AWWU uses the actual levied total assessed square-footage area from each improvement district for the last five years.<sup>4</sup> If the resulting LUC rate varies from the prior year by more than 10 percent (after adjusting for inflation), AWWU adjusts the calculation to minimize the fluctuation to within the 10 percent range.<sup>5</sup>

#### TA177-122 AWU LUC Decrease (Tariff Sheet No. 164)

The proposed AWU LUC rate is \$1.35332 for 2023, a decrease compared with the approved 2022 LUC rate of \$1.40018. AWU indicated that the decrease per square foot of approximately five cents from the 2022 LUC rate is a result of the decrease in average certified project costs, largely due to the addition of the water distribution improvement districts associated with the acquisition of Southcentral Utilities by AWWU in 2017.<sup>6</sup> The proposed 2023 rate is a decrease of \$0.04686, or 3.35 percent, before the 2022 AWU LUC rate is adjusted for inflation.<sup>7</sup> Staff reviewed AWU's proposed LUC rate for 2023 and found that the proposed calculation is in accordance with the methodology approved by the Commission.<sup>8</sup> The methodology limits the change in the AWU LUC rate to not more than a 10 percent increase or decrease above or below the previous year's AWU LUC rate adjusted by the ENRCCI. The approved LUC formula also requires an adjustment to the total five-year project cost if the LUC rate deviates beyond 10 percent of the previous LUC rate after including the effect of inflation. Adjustments of \$4,673,029 for 2023 Levied Project Costs were made to keep the LUC rate within a 10 percent deviation.<sup>9</sup>

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<sup>2</sup> For example, a project can close in 2021 but take until 2022 to certify and assess the project costs.

<sup>3</sup> See AWU Tariff Sheet Nos. 128.2 and 128.3, effective March 17, 2017. See also ASU Tariff Sheet No. 95.3, effective March 17, 2017.

<sup>4</sup> Current LUC calculations are attached as Appendix 2.

<sup>5</sup> See AWU Tariff Sheet No. 128.3, effective March 17, 2017. See also ASU Tariff Sheet No. 95.4, effective March 17, 2017.

<sup>6</sup> See tariff advice letter for TA177-122, at page 1.

<sup>7</sup> When adjusted for inflation according to the ENRCCI (the 2021 - 2022 inflation factor is 107.20 percent), the 2022 AWU LUC rate is \$1.5010 (\$1.40018 \* 1.0720 = \$1.5010).

<sup>8</sup> The Commission approved the LUC assessment calculation methodology in 2002, which was described as follows in the Appendix to Order U-99-115(10)/ U-99-152(9).

$$LUC\ Rate = \frac{\Sigma\ WID\ | \ LID\ Cost\ for\ the\ last\ five\ years}{\Sigma\ WID\ | \ LID\ Benefitted\ area\ for\ the\ last\ five\ years}$$

<sup>9</sup> See tariff advice letter for TA177-122, at page 4.

### TA179-126 ASU LUC Increase (Tariff Sheet No. 128)

The proposed ASU LUC rate is \$2.36078 for 2023. The proposed 2023 rate is an increase of \$0.1586 from the prior year, or 7.20 percent, before the 2022 ASU LUC rate is adjusted for inflation.<sup>10</sup> ASU indicated that the increase per square foot of approximately 16 cents for 2023 is due to cost inflation as reported in the ENRCCI and the Highland-2 Project.<sup>11</sup> Staff reviewed ASU's proposed LUC rate for 2023 and found that the proposed calculations are in accordance with the methodology approved by the Commission.<sup>12</sup> As previously stated, the methodology limits the change in the ASU LUC rate to not more than a 10 percent increase or decrease above or below the previous year's ASU LUC rate adjusted by the ENRCCI. The approved LUC formula also requires an adjustment to the total five-year project cost if the LUC rate deviates beyond 10 percent of the previous LUC rate after including the effect of inflation. No adjustment was made to reduce the average project cost to ensure the increase in the LUC rate does not exceed the 10 percent limit.<sup>13</sup>

### Tariff Sheets

Staff reviewed Tariff Sheet Nos. 164 and 128. Staff verified the proposed rates were calculated accurately using AWWU's approved methodologies, the proper support was filed, and the tariff sheets are correct.

### **Conclusion**

With TA177-122 and TA179-126, AWWU on behalf of AWU and ASU, respectively, proposes to update the 2023 LUC rates. Based on the discussion above, Staff recommends the Commission approve Tariff Sheet No. 164, filed September 14, 2023, by AWWU for AWU, with TA177-122, and Tariff Sheet No. 128, filed September 14, 2023, by AWWU for ASU, with TA179-126. The effective date of the tariff sheets should be October 30, 2023.

**Signature:** Keith Kurber II  
Keith Kurber II (Oct 23, 2023 08:00 AKDT)  
**Email:** keith.kurber@alaska.gov

**Signature:** Bob Doyle  
Bob Doyle (Oct 23, 2023 09:05 AKDT)  
**Email:** bob.doyle@alaska.gov

**Signature:** John Espindola  
John Espindola (Oct 23, 2023 09:07 AKDT)  
**Email:** John.Espindola@Alaska.gov

**Signature:** Bob Pickett  
Bob Pickett (Oct 23, 2023 09:14 AKDT)  
**Email:** bob.pickett@alaska.gov

**Signature:** Janis W. Wilson  
Janis W. Wilson (Oct 24, 2023 12:12 AKDT)  
**Email:** janis.wilson@alaska.gov

<sup>10</sup> When adjusted for inflation according to the ENRCCI (the 2021 - 2022 inflation factor is 107.20 percent), the 2022 ASU LUC rate is \$2.3607 (\$2.20218 \* 1.0720 = \$2.08106).

<sup>11</sup> See tariff advice letter for TA179-126, at page 1.

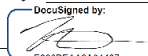
<sup>12</sup> The Commission approved the LUC assessment calculation methodology in 2002, which was described as follows in the Appendix to Order U-99-115(10)/ U-99-152(9).

$$LUC\ Rate = \frac{\Sigma\ WID\ |\ LID\ Cost\ for\ the\ last\ five\ years}{\Sigma\ WID\ |\ LID\ Benefitted\ area\ for\ the\ last\ five\ years}$$

<sup>13</sup> See tariff advice letter for TA179-126, at page 1.

RCA No. 122 Thirteenth Revision Sheet No. 164  
CancellingTwelfth Revision Sheet No. 164**RECEIVED**  
**FEB 17 2022**  
STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA**Anchorage Water Utility**13.0 RATES, FEES AND CHARGES (continued)13.1 RATE SCHEDULE NO. 1 – FEES AND SPECIAL CHARGES–NON-RECURRING (continued)

Rule 8.6	Levy-Upon-Connection (LUC) Water Assessment rates. Following are the LUC Rates for years:			
1971	and prior.....	\$ 0.08000	1999 .....	\$ 0.85182
1972	.....	\$ 0.09093	2000 .....	\$ 0.88661
1973	.....	\$ 0.11973	2001 .....	\$ 0.92564
1974	.....	\$ 0.07849	2002 .....	\$ 1.01818
1975	.....	\$ 0.13565	2003 .....	\$ 1.07490
1976	.....	\$ 0.22743	2004 .....	\$ 1.02721
1977	.....	\$ 0.24611	2005 .....	\$ 0.98347
1978	.....	\$ 0.26368	2006 .....	\$ 0.92197
1979	.....	\$ 0.19419	2007 .....	\$ 0.86376
1980	.....	\$ 0.10279	2008 .....	\$ 0.79895
1981	.....	\$ 0.36222	2009 .....	\$ 0.75001
1982	.....	\$ 0.12343	2010 .....	\$ 0.85082
1983	.....	\$ 0.13121	2011 .....	\$ 0.96122
1984	.....	\$ 0.29245	2012 .....	\$ 1.08990
1985	.....	\$ 0.16050	2013 .....	\$ 1.23037
1986	.....	\$ 0.16178	2014 .....	\$ 1.38814
1987	.....	\$ 0.42901	2015 .....	\$ 1.56838
1988	.....	\$ 0.22727	2016 .....	\$ 1.77213
1989	.....	\$ 0.30094	2017 .....	\$ 2.01044
1990	.....	\$ 0.24782	2018 .....	\$ 1.88302
1991	.....	\$ 0.33707	2019 .....	\$ 1.74836 (R)
1992	.....	\$ 0.34530	2020 .....	\$ 1.60972
1993	.....	\$ 0.46969	2021 .....	\$ 1.47757 (N)
1994	.....	\$ 0.49425	2022 .....	\$ 1.40018 (N)
1995	.....	\$ 0.63353		
1996	.....	\$ 0.64284		
1997	.....	\$ 0.66941		
1998	.....	\$ 0.87616		

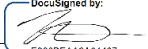
Tariff Advice No. TA173-122 Effective: April 4, 2022Issued by Anchorage Water UtilityBy  Corentino, P.E.  
E3698EAA2A01407Title: General ManagerRCA No. 122 Fourteenth Revision Sheet No. 164  
CancellingThirteenth Revision Sheet No. 164**Anchorage Water Utility**13.0 RATES, FEES AND CHARGES (continued)RATE SCHEDULE NO.1)  
RECURRING (continued)

Rule 8.6	Levy-Upon-Connection (LUC) Water Assessment rates. Following are the LUC Rates for years:			
1971	and prior.....	\$ 0.08000	1999 .....	\$ 0.85182
1972	.....	\$ 0.09093	2000 .....	\$ 0.88661
1973	.....	\$ 0.11973	2001 .....	\$ 0.92564
1974	.....	\$ 0.07849	2002 .....	\$ 1.01818
1975	.....	\$ 0.13565	2003 .....	\$ 1.07490
1976	.....	\$ 0.22743	2004 .....	\$ 1.02721
1977	.....	\$ 0.24611	2005 .....	\$ 0.98347
1978	.....	\$ 0.26368	2006 .....	\$ 0.92197
1979	.....	\$ 0.19419	2007 .....	\$ 0.86376
1980	.....	\$ 0.10279	2008 .....	\$ 0.79895
1981	.....	\$ 0.36222	2009 .....	\$ 0.75001
1982	.....	\$ 0.12343	2010 .....	\$ 0.85082
1983	.....	\$ 0.13121	2011 .....	\$ 0.96122
1984	.....	\$ 0.29245	2012 .....	\$ 1.08990
1985	.....	\$ 0.16050	2013 .....	\$ 1.23037
1986	.....	\$ 0.16178	2014 .....	\$ 1.38814
1987	.....	\$ 0.42901	2015 .....	\$ 1.56838
1988	.....	\$ 0.22727	2016 .....	\$ 1.77213
1989	.....	\$ 0.30094	2017 .....	\$ 2.01044
1990	.....	\$ 0.24782	2018 .....	\$ 1.88302
1991	.....	\$ 0.33707	2019 .....	\$ 1.74836
1992	.....	\$ 0.34530	2020 .....	\$ 1.60972
1993	.....	\$ 0.46969	2021 .....	\$ 1.47757
1994	.....	\$ 0.49425	2022 .....	\$ 1.40018
1995	.....	\$ 0.63353	2023 .....	\$ 1.35332 (N)
1996	.....	\$ 0.64284		
1997	.....	\$ 0.66941		
1998	.....	\$ 0.87616		

Tariff Advice No. ~~TA178-122~~ **TA177-122** Effective:Issued by Mark A. Corsentino, P.E.By Mark A. Corsentino, P.E. Title: General Manager

RCA No. 126 Fourteenth Revision Sheet No. 128  
CancellingThirteenth Revision Sheet No. 128**RECEIVED**  
**FEB 17 2022**STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA**Anchorage Wastewater Utility**13.0 RATES, FEES AND CHARGES (continued)13.1 RATE SCHEDULE NO. 1 – FEES AND SPECIAL CHARGES–NON-RECURRING (continued)Rule 8.6 Levy-Upon-Connection (LUC) Sewer Assessment rates. Following are the LUC rates for years:

1971	and prior.....	\$ 0.09000	1999	.....	\$ 0.72523
1972	.....	\$ 0.07128	2000	.....	\$ 0.73435
1973	.....	\$ 0.09968	2001	.....	\$ 0.83214
1974	.....	\$ 0.11313	2002	.....	\$ 0.91527
1975	.....	\$ 0.08859	2003	.....	\$ 1.03791
1976	.....	\$ 0.15308	2004	.....	\$ 0.95644
1977	.....	\$ 0.18525	2005	.....	\$ 0.98144
1978	.....	\$ 0.19340	2006	.....	\$ 0.95865
1979	.....	\$ 0.24204	2007	.....	\$ 0.98517
1980	.....	\$ 0.22703	2008	.....	\$ 0.91124
1981	.....	\$ 0.13946	2009	.....	\$ 0.85867
1982	.....	\$ 0.12052	2010	.....	\$ 0.88554
1983	.....	\$ 0.19344	2011	.....	\$ 0.90951
1984	.....	\$ 0.22043	2012	.....	\$ 0.93720
1985	.....	\$ 0.29314	2013	.....	\$ 1.05786
1986	.....	\$ 0.28584	2014	.....	\$ 1.19346
1987	.....	\$ 0.23390	2015	.....	\$ 1.34837
1988	.....	\$ 0.34521	2016	.....	\$ 1.52084
1989	.....	\$ 0.32360	2017	.....	\$ 1.72690
1990	.....	\$ 0.33530	2018	.....	\$ 1.98095
1991	.....	\$ 0.48739	2019	.....	\$ 2.00779
1992	.....	\$ 0.49929	2020	.....	\$ 2.04754
1993	.....	\$ 0.34096	2021	.....	\$ 2.08106 (N)
1994	.....	\$ 0.35879	2022	.....	\$ 2.20218 (N)
1995	.....	\$ 0.60796			
1996	.....	\$ 0.61689			
1997	.....	\$ 0.57969			
1998	.....	\$ 0.65114			

Tariff Advice No. TA173-126 Effective: April 4, 2022Issued by Anchorage Wastewater UtilityBy  Mark A. Corsentino, P.E.  
E3069BEAA2A01407Title: General ManagerRCA No. 126 Fifteenth Revision Sheet No. 128  
CancellingFourteenth Revision Sheet No. 128**Anchorage Wastewater Utility**13.0 RATES, FEES AND CHARGES (continued)13.1 RATE SCHEDULE NO. 1 – FEES AND SPECIAL CHARGES–NON-RECURRING (continued)Rule 8.6 Levy-Upon-Connection (LUC) Sewer Assessment rates. Following are the LUC rates for years:

1971	and prior.....	\$ 0.09000	1999	.....	\$ 0.72523
1972	.....	\$ 0.07128	2000	.....	\$ 0.73435
1973	.....	\$ 0.09968	2001	.....	\$ 0.83214
1974	.....	\$ 0.11313	2002	.....	\$ 0.91527
1975	.....	\$ 0.08859	2003	.....	\$ 1.03791
1976	.....	\$ 0.15308	2004	.....	\$ 0.95644
1977	.....	\$ 0.18525	2005	.....	\$ 0.98144
1978	.....	\$ 0.19340	2006	.....	\$ 0.95865
1979	.....	\$ 0.24204	2007	.....	\$ 0.98517
1980	.....	\$ 0.22703	2008	.....	\$ 0.91124
1981	.....	\$ 0.13946	2009	.....	\$ 0.85867
1982	.....	\$ 0.12052	2010	.....	\$ 0.88554
1983	.....	\$ 0.19344	2011	.....	\$ 0.90951
1984	.....	\$ 0.22043	2012	.....	\$ 0.93720
1985	.....	\$ 0.29314	2013	.....	\$ 1.05786
1986	.....	\$ 0.28584	2014	.....	\$ 1.19346
1987	.....	\$ 0.23390	2015	.....	\$ 1.34837
1988	.....	\$ 0.34521	2016	.....	\$ 1.52084
1989	.....	\$ 0.32360	2017	.....	\$ 1.72690
1990	.....	\$ 0.33530	2018	.....	\$ 1.98095
1991	.....	\$ 0.48739	2019	.....	\$ 2.00779
1992	.....	\$ 0.49929	2020	.....	\$ 2.04754
1993	.....	\$ 0.34096	2021	.....	\$ 2.08106
1994	.....	\$ 0.35879	2022	.....	\$ 2.20218
1995	.....	\$ 0.60796	2023	.....	\$ 2.36078 (N)
1996	.....	\$ 0.61689			
1997	.....	\$ 0.57969			
1998	.....	\$ 0.65114			

Tariff Advice No. TA179-126 Effective:Issued by Anchorage Wastewater UtilityBy  Mark A. Corsentino, P.E.Title: General Manager

# Anchorage Water Utility

## Annual LUC Rate Calculation - 2023 Levied Projects 2018 - 2022

Line No.	Year Levied (a)	Year Project Closed (b)	Project Description (c)	Certified Project Cost		\$ in 2022 (f)	WID Assessments Total Sq. Ft. (g)
				\$ in Year Closed (d)	ENRCCI Inflation Factor (e)		
1	2017	2016	Southcentral Utilities Inc., Acquisition	\$233,211	125.82%	\$293,417	907,418
2	2018	2017	No Projects in 2017 (2016 inflated to 2017 \$) <sup>(1)</sup>	\$242,212	121.14%	\$293,417	907,418
3	2019	2018	No Projects in 2018 (2017 inflated to 2018 \$) <sup>(1)</sup>	\$249,544	117.58%	\$293,417	907,418
4	2020	2019	No Projects in 2019 (2018 inflated to 2019 \$) <sup>(1)</sup>	\$254,484	115.30%	\$293,417	907,418
5	2021	2020	No Projects in 2020 (2019 inflated to 2020 \$) <sup>(1)</sup>	\$258,650	113.44%	\$293,417	907,418
6	2022	2021	No Projects in 2021 (2010 inflated to 2021 \$) <sup>(1)</sup>	\$273,704	107.20%	\$293,417	907,418
7	Levied 2018 - 2022			\$1,278,595		\$1,467,084	4,537,090
8	Adjustment to Levied Project Cost (minimize annual fluctuations to 10% or less)					\$4,673,029	
9	Adjusted Project Cost					\$6,140,113	
10	<b>2023 LUC Rate: Adj. Project Cost (f9) / WID Total Assessments Sq. Ft. (g7)</b>					<b>\$ 1.35332</b>	
11	Approved 2022 LUC Rate					\$ 1.40018	
12	% Change from Prior Year					(3.35%)	
13	ENRCCI Inflation Factor: 2021 - 2022					107.20%	
14	2022 LUC Rate Including Inflation from 2021 to 2022					\$ 1.5010	
15	% Change from Prior Year LUC Rate Including Inflation 2021 - 2022					(10.00%)	

### ENRCCI Index Table 2013 - 2022 (Base 1913 = 100)

Year	ENRCCI	2022 Inflation Factor
2013	9,547	136.24%
2014	9,806	132.64%
2015	10,035	129.61%
2016	10,338	125.82%
2017	10,737	121.14%
2018	11,062	117.58%
2019	11,281	115.30%
2020	11,466	113.44%
2021	12,133	107.20%
2022	13,007	100.00%

<sup>(1)</sup> Consistent with the LUC rate calculation in AWU Tariff Rule 8.6, for years in which no WIDs were levied, a proxy amount is used based upon the last levied project, including inflation, to the year having no projects. The Southcentral Utilities Inc. Acquisition certified projects costs and total square feet is the proxy source.



# Anchorage Wastewater Utility

## Annual LUC Rate Calculation - 2023 Levied Projects 2018 - 2022

Line No.	Year Levied	Year Project Closed	Project Description	Certified Project Cost		\$ in 2022	LID
				\$ in Year Closed	ENRCCI Inflation Factor		Assessments Total Sq. Ft.
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	2014	2013	Highland-2	\$506,274	136.24%	\$689,748	292,169
2	2018	2017	No Projects in 2017 (2016 inflated to 2017 \$) <sup>(1)</sup>	\$569,379	121.14%	\$689,748	292,169
3	2019	2018	No Projects in 2018 (2017 inflated to 2018 \$) <sup>(1)</sup>	\$586,614	117.58%	\$689,748	292,169
4	2020	2019	No Projects in 2019 (2018 inflated to 2019 \$) <sup>(1)</sup>	\$598,227	115.30%	\$689,748	292,169
5	2021	2020	No Projects in 2020 (2019 inflated to 2020 \$) <sup>(1)</sup>	\$608,020	113.44%	\$689,748	292,169
6	2022	2021	No Projects in 2021 (2020 inflated to 2021 \$) <sup>(1)</sup>	\$643,408	107.20%	\$689,748	292,169
7	Levied 2018 - 2022			\$3,005,648		\$3,448,739	1,460,845
8	Adjustment to Levied Project Cost (minimize annual fluctuations to 10% or less)						\$0
9	Adjusted Project Cost						\$3,448,739
10	<b>2023 LUC Rate: Adj. Project Cost (f9) / WID Total Assessments Sq. Ft. (g7)</b>						<b>\$ 2.36078</b>
11	Approved 2022 LUC Rate						\$ 2.20218
12	% Change from Prior Year						7.20%
13	ENRCCI Inflation Factor: 2021 - 2022						107.20%
14	2022 LUC Rate Including Inflation from 2021 to 2022						\$ 2.36078
15	% Change from Prior Year LUC Rate Including Inflation 2021 - 2022						0.00%

### ENRCCI Index Table 2013 - 2022 (Base 1913 = 100)

Year	ENRCCI	-1 Inflation Factor
2013	9,547	136.24%
2014	9,806	132.64%
2015	10,035	129.61%
2016	10,338	125.82%
2017	10,737	121.14%
2018	11,062	117.58%
2019	11,281	115.30%
2020	11,466	113.44%
2021	12,133	107.20%
2022	13,007	100.00%

<sup>(1)</sup> Consistent with the LUC rate calculation in ASU Tariff Rule 8.6, for years in which no LIDs were levied, a proxy amount is used based upon the last levied project, including inflation, to the year having no projects. The Highland-2 certified project costs and total square feet was used as the proxy source.